

June 23, 2003

1420 East 6th Ave.
P.O. Box 200701
Helena, MT 59620-0701

Environmental Quality Council
Montana Department of Environmental Quality
Montana Department of Fish, Wildlife and Parks
Fisheries Division
Endangered Species Coordinator
Native Species Coordinator, Fisheries
Water Resources Program Manager
Missoula Office

Montana Department of Natural Resources and Conservation
MT Environmental Information Center

Montana Audubon Council
State Historic Preservation Office

U.S. Army Corp of Engineers, Helena

U.S. Fish and Wildlife Service, Helena

Tim Bodurtha, U.S. Fish and Wildlife Service, 780 Fish Hatchery Road, Kalispell, MT 59901

Montana State Library, Helena

Missoula County Conservation District

Bill Rogerson, 2467 Regents Walk, Germantown, TN 38138

James Normark, 1645 E. Sabalious St., Meridian, ID 83642-4705

Edward Bezanson, P.O. Box 747, Seeley Lake, MT 59868-1243

Mike and Linda Richards, P.O. Box 1320, Seeley Lake, MT 59868

Jim Blackwell, 211 Mohawk, Henderson, NV 89015

Dr. Russell Edwin, 1300 28th St. South, Great Falls, MT 59405-5296

Edward and Susan Apostol, 5000 Jordan Ct., Missoula, MT 59803

Michael and Lavonne Williams, 13423 NE 193rd Place, Woodinville, WA 98072

Charles Eidel, P.O. Box 577, Seeley Lake, MT 59868-0577

William and Jean Langlas, 1530 Khanaload Drive, Missoula, MT 59802

Allen and Laurie Ginn, P.O. Box 758, Bonner, MT 59823

Terrylea Pinkerton, C/O DA Davidson Trust, 283 W. Front St., Missoula, MT 59802

Eric Norris, 1507 Larch Ave., Missoula, MT 59802

George Neve, 117 S. 8th St. West, Billings, MT 59102

Bob and Patti Griffes, P.O. Box 694, Seeley Lake, MT 59868-0694

Jim Carlson, P.O. Box 307, Seeley Lake, MT 59868

Ladies and Gentlemen:

Please find enclosed an Environmental Assessment (EA) prepared for a Future Fisheries Project tentatively planned to improve in-stream flows in lower Trail Creek, a tributary to Morrell Creek located 1 mile south of the town of Seeley Lake in Missoula County. The project would be accomplished by replacing a highly

*Missoula
Future Fisheries*

pervious portion of a one-mile long open ditch with a pipeline. In return for financial assistance for the project, the water right holder would not divert more than 2.0 cubic feet per second (1.5 cfs during low flow periods) from Trail Creek and would lease to Montana Fish, Wildlife and Parks (MFWP) for a period of 30 years the salvaged water created from the improved ditch efficiency for the purpose of enhancing in-stream flow in Trail Creek. This EA also reviews the environmental effects of related water right holders' commitment to not divert their water and the leasing of a portion of their water right to further protect flow in Trail Creek.

Please submit any comments that you have by 5:00 P.M., July 23 to:

Montana Department of Fish, Wildlife and Parks
Trail Creek Flow Enhancement Project
P.O. Box 200701
Helena, MT 59620-0701

or e-mail to mlere@state.mt.us

Completion of this proposed project is contingent upon approval of a "Change" application by the Montana Department of Natural Resources and Conservation.

If you have any questions, feel free to contact me at (406) 444-2432.

Sincerely,

Mark Lere, Program Officer
Habitat Protection Bureau
Fisheries Division
e-mail: mlere@mt.state.us

ENVIRONMENTAL ASSESSMENT

Fisheries Division

Montana Fish, Wildlife and Parks

Trail Creek Flow Enhancement Project

General Purpose: The 1995 Montana Legislature enacted statute 87-1-272 through 273 that directs the Department to administer a Future Fisheries Improvement Program. The program involves physical projects to restore degraded fish habitat in rivers and lakes for the purposes of improving wild fisheries. The legislature established a funding account to help accomplish this goal. Additionally, the 1999 Montana Legislature amended statute sections 87-1-273, 15-38-202 and Section 5, Chapter 463, Laws of 1995 to create a bull trout and cutthroat trout enhancement program. The program calls for the enhancement of bull trout and cutthroat trout through habitat restoration, natural reproduction and reductions in species competition by way of the Future Fisheries Program.

Montana's water leasing statute (85-2-436, MCA) was enacted by the 1989 Legislature as HB 707. The 1999 legislature broadened this leasing program by extending the term of the program until 2009, allowing for a longer lease term and increasing the number of stream reaches that can be leased from. This leasing program allows Montana, Fish, Wildlife and Parks (MFWP) to lease for in-stream use water rights from willing individuals who traditionally have used the water for diversionary purposes.

The lower 1.5 miles of Trail Creek, a tributary to Morrell Creek in the Clearwater River drainage, commonly has been dewatered by the diversion of water during the irrigation season, especially during periods of low flow. Trail Creek supports bull trout, westslope cutthroat trout, and brook trout and provides important habitat for spawning and rearing of these fish. However, reproduction is adversely affected by seasonal dewatering, especially during low flow years. This project is being proposed to undertake a water conservation project on Trail Creek in concert with Double Arrow Enterprises, Inc (DAE) and the Double Arrow Ranch Landowners Association (Association). This project proposes to provide funding through the Future Fisheries Improvement Program to replace approximately one-mile of highly pervious open ditch with a pipeline no larger than 10 inches in diameter. An infiltration gallery also will be installed at the existing point of diversion to eliminate the need for a fish screen. The salvaged water created from the improved ditch efficiency would then be leased for a period of 30 years to MFWP for the purpose of maintaining in-stream flow in Trail Creek. In addition, the Association will not divert from, and will lease a portion of their water right for a period of 30 years to MFWP to further maintain in-stream flow in Trail Creek.

I. Location of Project: This project will be conducted on Trail Creek, a tributary to Morrell Creek in the Clearwater River drainage, located approximately 1 mile south of the town of Seeley Lake within Township 16 North, Range 15 West, Section 12 in Missoula County (see Figure 1).

II. Need for the Project: One goal within Montana Fish, Wildlife and Parks six-year operations plan for the fisheries program is to "restore and enhance degraded habitats" by implementing habitat restoration projects and administering the Future Fisheries Improvement Program to restore important habitats on public and private lands. This proposed project would help achieve this goal.

Trail Creek supports bull trout and westslope cutthroat trout and provides important spawning and rearing

habitat for these two species. Trail Creek is listed as a core area for bull trout within the Blackfoot-Clearwater drainage. DAE currently uses approximately 5 to 8 cubic feet per second (cfs) of surface water from Trail Creek for diversionary purposes. A one-mile long open ditch leaks a significant portion of this diverted water before it reaches its point of use. Ditch loss has been estimated to range between 60 and 85% of the diverted flow. DAE's diversion is located about two miles upstream from the mouth of Trail Creek. There are no other water users located between the DAE diversion and Trail Creek's confluence with Morrell Creek near the Clearwater River.

Spawning, rearing and adult habitat for bull trout and cutthroat trout are adversely affected by seasonal dewatering downstream of DAE's diversion, especially during low flow years. Dewatering also acts as a barrier to migrating bull trout. Although DAE restored the ditch heading and installed a fish ladder and fish screen on the diversion in 2000, the fish ladder and screen have only partially mitigated effects of the diversion system on fish populations. In the past, the screen has been removed and the ladder gated to provide additional flow to the diversion, resulting in the loss of fish into the ditch system and the creation of a passage barrier. Additionally, the installed fish screen is not self-cleaning and, as a result, does not function properly during high flow events when significant amounts of debris are flushed down the stream channel.

The intent of this proposed project is to improve in-stream flows in lower Trail Creek, as well as eliminate potential migration barriers and entrainment of fish in to the DAE diversion. Ultimately, the project is intended to enhance spawning and rearing habitat for bull trout and westslope cutthroat trout resulting in an increase in the number of bull trout and westslope cutthroat trout in Blackfoot-Clearwater drainage.

III. Scope of the Project: The proposal calls for providing payment to DAE through the Future Fisheries Improvement Program to partially cover costs associated with replacing one mile of highly pervious open ditch with a pipeline to eliminate water loss. The installed pipeline would be no larger than 10 inches in diameter. The project also would partially cover costs associated with installing an infiltration gallery to eliminate the need for the headgate structure, fish ladder and fish screen. In exchange, DAE would lease their salvaged surface water on Trail Creek to MFWP for the purpose of in-stream flow. There are no other water rights holders on Trail Creek located downstream of the DAE diversion. Under this proposed project, DAE would divert no more than 2.0 cfs of its combined water rights from Trail Creek and would reduce its diversion to no more than 1.5 cfs when stream flow falls below 6.5 cfs as measured upstream from the point of diversion. This proposed project would insure that, during periods of low flow, at least 3 to 4 cfs of water likely would remain in-stream. Under this proposal, MFWP would pay \$24,372.00 to DAE to partially defray costs associated with installing the pipeline and infiltration gallery. In return, DAE would divert only a minimal amount of their claimed Trail Creek water rights and lease the salvaged portion to MFWP for a period of 30 years. Additionally, the Association would lease a portion (1.06) of its water right to MFWP for a period of 30 years, and commit to continue to divert none of it, to further maintain in-stream flow in Trail Creek

Although all parties have reached general agreement over this proposed water lease, the lease cannot be implemented until "Change in Appropriation Water Rights" applications are approved by the Department of Natural Resources and Conservation (DNRC). Any water user who feels they would be adversely affected by these leases has an opportunity to object to the proposed "Change". This project cannot be implemented until all objections have been resolved if, in fact, any objections are received. The lease

periods would begin the first complete irrigation season following the date "Change" applications are approved by DNRC. Additionally, this project will not be implemented until lease agreements are signed by the three parties (DAE, Association and MFWP). All MFWP water leases also must be approved by the Fish, Wildlife and Parks Commission.

The project is expected to cost \$34,252.00. Of this total, the Future Fisheries Improvement Program would be contributing up to \$24,372.00. The Association will be compensated a nominal \$1.00 for the lease associated for their water right.

IV. Environmental Impact Checklist:

Please see attached checklist.

V. Explanation of Impacts to the Physical Environment:

1. Terrestrial and aquatic life and habitats.

There will be no adverse impacts to fish as a result of the proposed project. Implementation of this project would provide additional flow in lower Trail Creek, remove potential fish migration barriers and eliminate the potential for entrainment of fish into the ditch system. With adequate flows, Trail Creek would be expected to recruit additional bull trout and westslope cutthroat trout fry annually to the Blackfoot-Clearwater drainage. Ultimately, the number of adult bull trout and westslope cutthroat trout would be expected to increase both in the stream and in the Blackfoot-Clearwater drainage.

2. Water quantity, quality and distribution.

No changes in drainage pattern or natural surface run-off would occur as a result of the proposed project. However, there would be a beneficial increase in the amount of in-stream flow found in the lower 1.5 miles of creek during the irrigation season.

Short-term increases in turbidity may occur during installation of the infiltration gallery. To minimize turbidity, construction will occur during a low flow period and operation of equipment in the stream channel will be minimized to the extent practicable. The Department of Environmental Quality will be contacted to determine narrative conditions required to meet short-term water quality standards and protect aquatic biota. A 310 permit will be obtained from the local Conservation District and the U.S. Army Corp of Engineers will be contacted for requirements needed to meet the federal Clean Water Act (404 permit). Installation of the pipeline will be conducted when the irrigation system is shut off.

4. Vegetation cover, quantity and quality.

A small patch of vegetation (less than 20 lineal feet) will be disturbed as a result of accessing the stream with a backhoe to install the infiltration gallery. Additionally, vegetation adjacent to the existing ditch will be disturbed when the pipeline is bedded and backfilled. All disturbed areas will

be re-seeded with native vegetation upon completion of construction.

5. Aesthetics.

Aesthetics on the site will be degraded during the short time frame of construction due to the presence of heavy equipment and ground disturbance. In the long term, aesthetics would be enhanced by augmenting stream flow in the lower 1.5 miles of Trail Creek, especially during low flow years. There may be some reduction in aesthetic values to those accustomed to seeing flowing water in the portion of the ditch to be replaced with a pipe, but these potential adverse affects will be mitigated by aesthetic improvements associated with enhanced in-stream flow in Trail Creek

7. Unique, endangered, fragile, or limited environmental resources.

Trail Creek supports both bull trout and westslope cutthroat trout populations. Because of their shrinking distribution and declining numbers, bull trout are listed as threatened under the Endangered Species Act and westslope cutthroat trout are classified as a "Species of Special Concern" in Montana. This project calls for improving in-stream flows in lower Trail Creek to enhance spawning, rearing and adult habitat for bull trout and westslope cutthroat trout. Because Trail Creek supports bull trout, a species listed as threatened under the Endangered Species Act, this project will be included in Montana Fish, Wildlife and Parks Section 6 Conservation Plan with the U.S. Fish and Wildlife Service.

8. Demands on environmental resources of land, water, air & energy.

Replacing a portion of highly pervious ditch with a pipeline will result in a more efficient irrigation system, reducing the demand for water from Trail Creek.

9. Historic and archaeological sites

The proposed project may require an individual Army Corp of Engineers (COE) 404 permit. Therefore, the State Historic Preservation Office will be contacted to determine the need for compliance with the federal historic preservation regulations. The project will not begin until a cultural clearance is granted.

VI. Explanation of Impacts on the Human Environment.

7. Access to & quality of recreational activities.

Augmenting in-stream flow in lower Trail Creek would improve overall aquatic habitat and, as a result, would improve recruitment of bull trout and westslope cutthroat trout to both the stream and the Blackfoot-Clearwater drainage. Although the project would not change access conditions along Trail Creek, recreational fishing opportunities in downstream waters may improve.

VII. Discussion and Evaluation of Reasonable Alternatives.

1. No Action Alternative

If no action is taken, the lower 1.5 miles of Trail Creek would not benefit from an additional 3 to 4 cfs of flow and would continue to be dewatered during the irrigation season during low flow years. Low stream flow and the existing diversion structure, if gated, will continue to block passage of migrating fish. Fish also will continue to be entrained into the ditch system at times when the existing fish screen is removed. Under no action, improved habitat for bull trout and westslope cutthroat trout in Trail Creek will not be realized.

2. The Proposed Alternative

The proposed alternative is designed to augment in-stream flows in the lower 1.5 miles of Trail Creek. In addition, installing an infiltration gallery will eliminate a potential fish migration barrier and the potential for entraining fish into the ditch system. This alternative would be expected to improve fish and wildlife habitat in Trail Creek and to increase bull trout and westslope cutthroat trout populations both in the stream and in the Blackfoot-Clearwater drainage.

3. Alternatives considered but not recommended

Other means of increasing in-stream flows in Trail Creek are not feasible at this time for the following reasons:

- There are no existing or planned water storage projects within the Trail Creek drainage.
- Montana Law currently prevents the purchase of water rights for in-stream flows.
- To our knowledge, there are no other water rights in the Trail Creek drainage available for leasing.

VIII. Environmental Assessment Conclusion Section

1. Is an EIS required? No.

We conclude from this review that the proposed activities will have a positive impact on the physical and human environment.

2. Level of public involvement.

The proposed project was reviewed and supported by the public review panel of the Future Fisheries Improvement Program. The proposed project also has been reviewed and approved by the Fish, Wildlife and Parks Commission.

Before this project can be implemented, the water leases must be approved both by DNRC and the Fish, Wildlife and Parks Commission. MFWP will be submitting "Change" applications to DNRC that will be publicly noticed in local newspapers and to nearby water users. Any objections to the "Change" must be resolved before approval by DNRC. The applications will be denied by DNRC if the leases are found to adversely affect the water

rights of other users in the basin.

The Environmental Assessment (EA) is being distributed to all individuals and groups listed on the cover letter. The EA also will be published on Montana Fish, Wildlife and Parks web page: fwp.state.mt.us.

3. Duration of comment period?

Public comment will be accepted through 5:00 P.M. on July 23, 2003.

4. Person responsible for preparing the EA.

Mark Lere, Program Officer
Habitat Protection Bureau
Fisheries Division
Montana Department of Fish, Wildlife and Parks
1420 East 6th Avenue
Helena, MT 59620

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MONTANA DEPARTMENT OF FISH, WILDLIFE AND PARKS
 1420 E 6th Ave, PO BOX 200701, Helena, MT 59620-0701
 (406) 444-2535

ENVIRONMENTAL ASSESSMENT

Project Title Trail Creek Flow Enhancement Project

Division/Bureau Fisheries Division-Future Fisheries Improvement

Description of Project This project is being proposed to undertake a water conservation project on Trail Creek with Double Arrow Enterprises, Inc (DAE). Currently, a one-mile long ditch leaks a significant portion of the water diverted by DAE. This project proposes to provide funding through the Future Fisheries Improvement Program to replace the open ditch with a pipeline. An infiltration gallery also would be installed at the existing point of diversion. The salvaged water created from the improved ditch efficiency would then be leased for a period of 30 years to MFWP for the purpose of enhancing in-stream flow in Trail Creek. Also being evaluated in this EA is a non-diversion commitment and lease of a portion of a homeowners association water right for in-stream flow. The proposed project is located on property owned by the Double Arrow Homeowners Association approximately 1 mile south of the town of Seeley Lake in Missoula County.

POTENTIAL IMPACT ON PHYSICAL ENVIRONMENT

	MAJOR	MODERATE	MINOR	NONE	UNKNOWN	COMMENTS ON ATTACHED PAGES
1. Terrestrial & aquatic life and habitats			X			X
2. Water quality, quantity & distribution			X			X
3. Geology & soil quality, stability & moisture				X		
4. Vegetation cover, quantity & quality			X			X
5. Aesthetics			X			X
6. Air quality				X		
7. Unique, endangered, fragile, or limited environmental resources			X			X
8. Demands on environmental resources of land, water, air & energy			X			X
9. Historical & archaeological sites				X		X

POTENTIAL IMPACTS ON THE HUMAN ENVIRONMENT

	MAJOR	MODERATE	MINOR	NONE	UNKNOWN	COMMENTS ON ATTACHED PAGES
1. Social structures & mores				X		
2. Cultural uniqueness & diversity				X		
3. Local & state tax base & tax revenue				X		
4. Agricultural or industrial production				X		
5. Human health				X		
6. Quantity & distribution of community & personal income				X		
7. Access to & quality of recreational and wilderness activities			X			X
8. Quantity & distribution of employment				X		
9. Distribution & density of population & housing				X		
10. Demands for government services				X		
11. Industrial & commercial activity				X		
12. Demands for energy				X		
13. Locally adopted environmental plans & goals				X		
14. Transportation networks & traffic flows				X		

Other groups or agencies contacted or which may have overlapping jurisdiction Montana Department of Natural Resources and Conservation, Missoula County Conservation District, US Fish and Wildlife Service, US Army Corp of Engineers, Montana Department of Environmental Quality, State Historical Preservation Office, Montana Fish, Wildlife and Parks Commission

Individuals or groups contributing to this EA: Ladd Knotek, MFWP;

Kathleen Williams, MFWP

Recommendation concerning preparation of EIS: No EIS required.

EA prepared by: Mark Lere

Date: June 23, 2003
